

Conservation Land Tax Credit

Frequently Asked Questions

What are the criteria for selection?

EEA will evaluate what percentage of the proposed donation is known to be on critical environmental landscape maps such as Biomap 2, prime soils for agriculture or forestry, prime forest or drinking water protection zones. Based upon that evaluation, properties determined to be of sufficient natural resource values are selected to continue to part II.

What exactly is a refundable tax credit?

As an example; if you qualify for a \$75,000 tax credit and you have a \$2,000 state tax liability in the same calendar year, the tax credit would reduce your taxes to \$0 for that year and after you file your taxes, you would receive a check back for the remaining \$73,000.

I have land in Massachusetts but do not live there or file taxes, am I still eligible for the CLTC?

Yes, as long as your donation is for land in Massachusetts, you may claim the credit. In order to do so though you will have to file a tax claim form for the year you received the credit.

Why does EEA request a Certified Appraisal and information on the consideration to be received?

The CLTC Program is limited to an annual allocation of \$2 million. The appraiser's valuation helps determine the amount of the potential tax credit that will be claimed, which will be evaluated against remaining annual allocation for the CLTC Program. If there is funding available, the applicant will receive a Notice to Proceed.

If I already donated my land or previously put a conservation restriction on it, can I fill out an application now and get a tax credit?

No. The conservation land tax credit regulations require that an application be filed prior to the donation and that you receive Pre-CLTC approval.

What if my land already has a conservation restriction recorded against it from years past, can I donate the Fee portion now and get a credit?

No – Land that is already “protected” is not eligible for the tax credit. The CLTC program is intended to provide incentives to landowners for donating and protecting unprotected land.

Can I email or fax in my application?

No – Because this program is set up to be on a “first come first served” basis, and your place in line can determine whether or not you get funding, we only accept applications that come in as a hard copy via mail or courier.

What about subsequent documents, can I email those in?

Yes – Subsequent documentation may be transmitted electronically.

How many applications for a tax credit can a single landowner submit in any one year? For example, if a landowner donates land in 2 separate, non-adjacent towns, can they apply for 2 deductions?

No - The credit is only available to an individual once every three years unless there are special circumstances and the three year minimum is waived by EEA.

Is there ever a way for a landowner to apply for the CLTC, receive notice of eligibility, and then “pause” the application process?

No, we have time frames that they must meet unless they request a waiver.

Can I submit an application for a tax credit if the value of the donation is less than \$150,000?

Yes, there is no minimum value of a donation. So a \$20,000 donation would be eligible for a \$10,000 tax credit.

If I sell my land to an agency through a bargain sale, can I use the appraisal the agency did in my application for a CLTC?

No. – We require the appraisal meet the same standard required by the IRS. Therefore the owner must commission the appraisal they will use to justify the donated value, and therefore, the amount of the tax credit.

How long do I have to wait until I am eligible for a new Conservation Land Tax Credit after I make a donation in 2012?

You must wait 3 years until you are eligible again for a CLTC. If you made a qualified donation in 2012, then you could not make another in 2013, 2014 and 2015, making you again eligible to donate in 2016.

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